# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2144
ANSWERED ON:14.03.2008
LOAN TO FARMERS OF MAHARASHTRA
Patil Smt. Rupatai Diliprao Nilangekar

**Will the Minister of FINANCE be pleased to state:**

(a) whether loan at the rate of six percent interest given by the Government to the farmers of Maharashtra is only for one year;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Union Government has received any proposal from Government of Maharashtra for continuously providing loan at six percent interest rate to all the farmers of Maharashtra;

(d) if so, the details thereof; and

(e) the action taken/proposed to be taken by the Government thereon?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) : The Government of Maharashtra has introduced the scheme of providing interest subvention @ 1 per cent per annum to the credit agencies to enable them to provide crop loans (upto Rs.3.00 lakh per farmer) at six per cent during 2006-07, which continued during 2007-08. The scheme designed by the State Government covered the entire State including Vidarbha region.

This State Government Scheme runs alongwith that of Government of India (GoI) Scheme and this ensures that farmers in Maharashtra receive Short Term Credit at 6% with an upper limit of Rs.3 lakh on the principal amount since 2006-07. Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks are being provided interest subvention on their own involvement of funds @ 2%. The Government is also providing interest subvention to NABARD for providing concessional refinance to RRBs and Cooperative Banks for the purpose. GoI's scheme continues for the years 2007-08 and 2008-09. The State Government is providing additional subvention on the current crop loans provided by the agencies to enable them to dispense credit at 6 per cent to the farmers.